Manufactured Homes Loan Insurance (Title I)

Insures mortgage loans made by private lending institutions to finance the purchase of a new or used manufactured home.

Nature of Program: By protecting mortgage lenders against the risk of default, HUD encourages lender to finance manufactured homes, which had traditionally been financed as personal property through comparatively high-interest, short-term consumer installment loans. The program increases the availability of affordable financing and mortgages for buyers of manufactured homes and allows buyers to finance their home purchase at a longer term and lower interest rate than with conventional loans. The buyer must agree to make the required down payment and meet credit guidelines. The interest rate is negotiated between the buyer and the lender. The buyer pays an upfront insurance premium, along with an annual premium based on the declining balance of the loan. The maximum loan term is 20 years for a manufactured housing loan.

Applicant Eligibility: Any person who meets credit requirements and is able to make the cash investment and the loan payments; however, the home must be the principal residence of the borrower.

Legal Authority: Section 2 of Title I of the National Housing Act (12 U.S.C. 1703 et seq.). Regulations are at 24 CFR part 201.

Administering Office: Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering office.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/title/manuf14

Current Status: Active.